

# SKY Perfect JSAT Corporation

## *News Release*



September 28, 2007  
SKY Perfect JSAT Corporation

### **SKY Perfect Communications Acquires All Shares in Pay Per View Japan, Inc.**

SKY Perfect Communications Inc. (Head office: Minato-ku, Tokyo; President and Representative Director: Masao Nito), a wholly owned subsidiary of SKY Perfect JSAT Corporation (Head office: Minato-ku, Tokyo; President and Representative Director: Masao Nito), announced today that it has acquired all shares in subsidiary, Pay Per View Japan, Inc. (Head office: Minato-ku, Tokyo; President and Representative Director: Akira Tanaka), making the company a wholly owned subsidiary.

The impact of the above on the consolidated business results of SKY Perfect JSAT Corporation is negligible.

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SKY Perfect Communications Inc.

### **SKY Perfect Communications Acquires All Shares in Pay Per View Japan, Inc.**

SKY Perfect Communications Inc. (Head office: Minato-ku, Tokyo; President and Representative Director: Masao Nito; “SKY Perfect”) today announced that it had purchased all shares of Pay Per View Japan, Inc. (Head office: Minato-ku, Tokyo; President and Representative Director: Akira Tanaka; “PPVJ”), a company it owned jointly with JSAT Corporation (Head office: Chiyoda-ku, Tokyo; President and CEO: Kiyoshi Isozaki; “JSAT”) and ITOCHU Corporation (Head office: Minato-ku, Tokyo; President and CEO: Eizo Kobayashi; “ITOCHU”). SKY Perfect previously held 32,500 PPVJ shares (65.0% of all shares issued), and by acquiring an additional 10,000 shares (20.0% of all shares issued) from JSAT and 7,500 shares (15.0% of all shares issued) from ITOCHU, it has made PPVJ a wholly owned subsidiary.

#### 1. Reason for acquisition of shares

On October 1, 1996, PPVJ launched Japan’s first-ever pay TV service to use a PPV or pay-per-view format, provided through PerfecTV! (now renamed) via communications satellite. The PPV service made use of the multichannel format to provide time-shift programming, thereby realizing a near-video-on-demand (NVOD) service. It also provided proprietary content such as sports programming for which SKY Perfect held broadcasting rights. From December 2006, the PPV service was improved with the introduction of a pre-selling service whereby customers can simply call the customer service center to purchase popular new films in advance of broadcasting. However, the business environment surrounding PPV services is evolving rapidly with the appearance of IP-based VOD and other services spurred by the increasing popularity of broadband. To continue meeting the needs of this diversifying media environment, SKY Perfect decided that it was necessary to improve PPVJ’s business strategy and systems. SKY Perfect therefore resolved to purchase all outstanding shares in PPVJ held by JSAT and ITOCHU (17,500 in total), making PPVJ a wholly owned subsidiary.

#### 2. Overview of Pay Per View Japan, Inc. (as of March 31, 2007)

- (1) Company name: Pay Per View Japan, Inc.
- (2) Representative: Akira Tanaka, President and Representative Director
- (3) Address: 1-14-14 Akasaka, Minato-ku, Tokyo
- (4) Established: April 3, 1996
- (5) Principle business: Broadcaster under the Law concerning Broadcast via Telecommunications Carriers’

Facilities involving the provision of pay-per-view services, mainly for Hollywood movies and sports programs.

(6) End of financial year: March

(7) No. of employees: 38

(8) Principal Office (Transmission center): 3rd Floor, Aomi Frontier Building, 2-43 Aomi, Koto-ku, Tokyo

(9) Capital: 2,500 million yen

(10) Total number of shares issued: 50,000 shares

(11) Major shareholders/shareholdings: SKY Perfect Communications Inc. (65.0%); JSAT Corporation (20.0%); ITOCHU Corporation (15.0%)

(12) Results in recent fiscal years

(Millions of yen)	Fiscal year ended March 2006	Fiscal year ended March 2007
Operating revenues	15,684	14,136
Operating income	483	336
Ordinary income	483	334
Net income	188	113
Total assets	2,299	2,081
Net assets	917	1,031

### 3. Sellers of PPVJ shares

10,000 shares (20.0% of all shares issued) from JSAT

7,500 shares (15.0% of all shares issued) from ITOCHU

### 4. No. of shares acquired, acquisition cost and shareholdings before and after acquisition

(1) Shareholding before acquisition: 32,500 shares (voting rights: 32,500 shares/65.0% of total)

(2) No. of shares acquired: 17,500 shares (voting rights: 17,500 shares; acquisition cost 371,175,000 yen)

(3) Shareholding after acquisition: 50,000 shares (voting rights: 50,000 shares/100.0% of total)